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ADDENDUM TO LEGISLATIVE HISTORY

Stenographic Transcript of
HEARINGS BEFORE THE COMMITTEE ON
EXPENDITURES IN THE EXECUTIVE
DEPARTMENTS - HOUSE OF REPRESENTA-
TIVES - June 27, 1947

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STENOGRAPHIC TRANSCRIPT OF

HEARINGS

BEFORE THE

COMMITTEE ON EXPENDITURES
IN THE EXECUTIVE DEPARTMENTS

HOUSE OF REPRESENTATIVES

Washington, D. C.

June 27, 1947.

Volume 1

H. R. 2319

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Mr. "E" - Brig. Gen. Hayes Kroner

Mr. "F" - Rear Adm. Thomas Inglis

C O N T E N T S

Friday, June 27, 1947.

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AFTERNOON SESSION

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(Albert J. LaFrance and Franklin S. Milberg, Jr., the committee stenographer and typist respectively, were duly sworn by the Chairman as follows:)

"D"

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The Chairman: Do you, and each of you, solemnly swear that you will not divulge to anyone directly or indirectly any information which you may obtain in either listening to, recording, or transcribing the hearing to now be conducted, so help you God?

(Mr. LaFrance. I do.)

(Mr. Milberg. I do.)

The Chairman. We will now hear the first witness this afternoon in executive session.

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STATEMENT OF MR. C.

Mr. C. I am a graduate of Cornell University, 1919, and was in the first World War very briefly. In the second World War I came down shortly after Pearl Harbor. I was commissioned and in December got into G-2 where I was concerned with European affairs, first the African branch and then the Southern European branch, and then all Europe and became a specialist in Balkan affairs.

After VJ day I was transferred to the Joint Chiefs of Staff, became secretary to the Joint Intelligence Committee of the Joint Chiefs of Staff, and then was mustered out in January 1946.

After that I was asked to undertake a study on intelligence for the Military Affairs Committee of the House of the Seventy-ninth Congress, and I spent five months studying this subject of intelligence during which time I saw something like 30 different generals and a great many technicians in addition to a great many men with whom I had worked closely in the Army Air Forces, both in G-2 and while with the Joint Chiefs of Staff.

As a result of the five months' study, I wrote for the House Military Affairs Committee a pamphlet, which with a very few minor changes, was approved by the Committee and published December 17, 1946, entitled "House Report No. 2734."

The Chairman. House Report No. 2734 will be made a

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part of the record at this point.

(Report referred to is as follows:)

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Mr. C. It presents as concisely as I knew at the time or even today what my thoughts are on this subject.

Now, I saw people ranging all the way from generals down to sergeants and obviously they are not all very happy about this report. I still think it is the best I could have done at the time.

Mr. Harness. Is it a public report?

Mr. C. Yes, it is a public document.

Gentlemen, I think that this bill which is before the House so far as the intelligence is concerned could with very few changes be made a very excellent document.

The Chairman. About what are you talking now?

Mr. C. The intelligence section, H.R. 2319.

Mr. Judd. Have you studied the Senate bill?

Mr. C. Yes, sir.

Mr. Wadsworth. What is the page on your bill?

The Chairman. Page 7.

Mr. C. The principal difficulty with H. R. 2319 is that it is impossible to understand the sections dealing with intelligence without a copy of the Federal Register of February 5, 1946. I have tried to get copies of that Federal Register, and it is a very difficult thing to do. I can imagine people out through the country reading the new law who do not have a copy of this Federal Register, and without that it is absolutely meaningless because everything that the central

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intelligence agency is supposed or entitled to do or not to do appears in that original Presidential directive.

Mr. Karsten. You do not desire people to know what you plan to do?

Mr. C. Yes, it is in the Presidential directive which was also a public document and has been published.

Mr. Karsten. You say it is very difficult for you to obtain a copy of the Federal Register?

Mr. C. That is correct.

Mr. Karsten. A foreign agent would have no difficulty in obtaining a copy of the Federal Register. A foreign agent could get it easily out of the Federal Register.

Mr. C. That is true. The foreign agent knows about this thing. I am simply discussing the law as it was originally planned, and incidentally I helped to write the original directive signed by the President on January 22, 1946. I was at that time secretary of the Joint Chiefs of Staff and Admiral Sowers was engaged in writing a Presidential directive that would be from his point of view more useful to the nation as a whole than the one that had been prepared in the State Department.

The Chairman. Will you put in the record at this point whatever you think is necessary, so that we or people out in the country may understand what we are trying to do?

Mr. C. Well, on page 2 it says:

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"(c). Effective when the Director first appointed under subsection (a) has taken office--

"(1) The functions of the National Intelligence Authority (11 Fed. Reg. 1337, 1339, February 5, 1946) are transferred to the National Security Council, and such authority shall cease to exist."

However, that is meaningless unless you have a copy of the Federal Register.

The Chairman. Do you wish to put in the record what that is?

Mr. C. Yes, sir.

Mr. Wadsworth. I read nearly all of it.

The Chairman. Half of them are not here.

Mr. Judd. Your point is that if the functions are going to be transferred in total, they ought to be copied in the law.

Mr. C. If this becomes the law of the land and a man three years from now wants to know what the law is, he looks this up and he says, "We will have to get a copy of the Federal Register in order to interpret this law; I do not know what it means."

Mr. Harness: He may have to go to the Congressional Library to get a copy of the Federal Register.

Mr. C. That is right. I have found that very few people to whom I have talked have seen a copy of the Federal Register.

The Chairman. We will put right here where you mention it the President's original directive.

(The directive referred to is as follows:)

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Mr. C. It is the President's original directive. I participated in writing this directive.

Mr. Judd. Is it not the same thing as we have here, the letter of January 22, 1946?

Mr. C. That is right, except that is the official document.

Mr. Manasco. It is the same language?

Mr. C. That is right. If this is the first time that this document has been exposed, it is the first time that the regulations under which the Central Intelligence Agency is operating have been under discussion.

On the whole this is a very reasonable document.

For instance, it has ten paragraphs.

The first one directs the Intelligence Agency be planned, developed, and coordinated to the best effort. There is nothing wrong with that.

The second paragraph says that they shall assign persons and facilities from the State, War, and Navy Departments, and the Director of Central Intelligence to be appointed by the President will sit as a non-voting member.

The third section says what the Director shall do:

"(a) Accomplish the correlation and evaluation of intelligence"

Mr. Judd. Do you interpret that as including collection?

Mr. C. No, sir. If I may say so, Admiral Sowers, with

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whom I lunched two days ago, remind me that the word "collection" was in there and was in the first draft and afterwards taken out.

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(Reading) Shall "accomplish the correlation and evaluation of intelligence relating to the national security, and the appropriate dissemination within the Government of the resulting strategic and national intelligence policy. In so doing, full use shall be made of the staff and facilities of the intelligence agencies of your departments.

"b. Plan for the coordination of such of the activities of the intelligence agencies of your departments as relate to the national security and recommend to the National Intelligence Authority the establishment of such overall policies and objectives as will assure the most effective accomplishment of the national intelligence mission.

"c. Perform, for the benefit of said intelligence agencies, such services of common concern as the National Intelligence Authority determines can be more efficiently accomplished centrally."

The minute they gave them the right to perform services of common concern that gave them a loophole through which they drove to greatly expand their functions, as they were originally designed, as I think I can show in a moment with

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documentary evidence.

The Chairman. Let me interrupt you there. Under Section 3(b) it does require, does it not, the continued existence of the departments?

Mr. C. There is nothing wrong with 3(b). That is mine. You mean the existence of the departments, of their own intelligence organization?

The Chairman. Yes.

Mr. C. It is taken up later and emphasized. Later on in the same directive you will find it definitely nailed down.

The Chairman. What I was trying to get at was that we have here in Section (3) on page 8, line 25:

"That the responsibility and authority of the departments and other agencies of the Government to collect, evaluate, correlate, and disseminate departmental intelligence, shall not be affected by this section."

That is practically the same thing, is it not?

Mr. C. I have not seen the new bill.

The Chairman. That is the same as this number (b), is it not?

Mr. C. I certainly agree with that. The responsibility of the departments to collect, evaluate, correlate and disseminate departmental intelligence should not be affected by anything.

The Chairman. Should it be in the bill?

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Mr. C. Yes, sir.

The Chairman. It is under (b)(2). It was written in as carefully as we knew how to write it in at this time.

Mr. C. Please let me interrupt. This is a very tricky thing. It took four months' study and three years' experience to catch on to this. It seems so simple now.

Mr. Karsten. At the time you prepared the executive order, could not we have written a law at that time and not written an executive order?

Mr. C. I wish you had, but I will tell you, there is quite a story behind that. Do you want to go into that now?

Mr. Wadsworth. I think it would be better for you to follow your discussion of this Federal Register.

Mr. C. Paragraph (a) accomplish correlation; (b) plans for coordination.

(c) is the first evidence of performance by the NIA and they are entitled to perform services of common concern.

(d) perform such other functions and duties as the President and the NIA may from time to time direct. That was put in to protect the same type of thing that Senator Wadsworth was talking about. If you outline what an organization is to do originally, then an emergency comes along, you are hooked. This was put in because we said, after all, we are a group of men and maybe something will happen that we cannot possibly envision. It will have to be done in a hurry.

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"4. No police, law enforcement or internal security functions shall be exercised under this directive."

That was not in the original draft and was written in on the insistence of the Federal Bureau of Investigation.

Paragraph 5 says that intelligence in the various departments shall be freely available to the Central Intelligence Group for correlation, evaluation or dissemination. operations of said intelligence agencies shall be open to inspection by the Director of Central Intelligence in connection with planning functions.

It does not say that Central Intelligence shall go out and do things themselves. It says they shall tell others what to do and they should plan on operations.

The Chairman. It is your idea they should not?

Mr. C. Should not engage in operations themselves but they should coordinate and plan the activities of others.

The Chairman. But should not collect?

Mr. C. No, sir.

Mr. Judd. They should hire other agencies to do the collection for them?

Mr. C. They should use the existing departments of the Government of which there are plenty. At the time you have the Navy Department, War Department, State Department, Federal Bureau of Investigation, Atomic Energy Commission, Department of Commerce, and the Department of Agriculture, and it is

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pretty hard to imagine a subject that cannot be properly handled by experts in their various fields. Conversely, it is beyond imagination to think that any central group shall have so many varied experts in its own shop that it could possibly handle all those subjects.

Mr. Harness. How many of those departments and agencies of the Government which you have just referred to operate beyond the limits of the United States?

Mr. G. The Department of Agriculture for one, and during the war G-2 was greatly concerned over the ability of the German people to continue to eat and we wanted to find out how long the food was going to last over there. There was no use making that study in G-2; there were no experts in G-2. We went to the Department of Agriculture and after three or four months of hard work by people who knew the crop conditions in Austria and Germany and the Ukraine, who knew what fertilizer factories there were in that area, by using the best brains of the Department of Agriculture, they came up with the answer, if things went on the way they were going the Germans would be starving this summer. That report was presented to a gentleman who said, "Let the bastards starve," and by accident he is the same man who the last few months has been trying to find food to feed the Germans.

Mr. Harness. If you are going to have these various agencies operating, are you going to overlap in many instances

fm-13 and operate independantly of each other with the central organization asking for information from the Department of Commerce while perhaps agents of the Department of Agriculture might be operating in the same field?

Mr. C. It is quite possible that that may happen. I am sorry that intelligence is involved in such bureaucratic work like evaluation, dissemination. Evaluation means taking a piece of information and deciding whether it is right or wrong. How can you decide? The only way you can evaluate is to compare it with other information on the same subject. If you have no other subject, no other information with which to compare it, you are unable to evaluate that, therefore you must have a certain amount of overlapping and you must have a certain amount of duplication in order to do a decent job of evaluation.

5 When I was in the Italian part of G-2 we got a report that there was a plot being hatched against Mussolini, they were going to throw Mussolini out and put Bagdolio in. We threw that report aside for the simple reason there was not another piece that would even a slight indication that would be true. Two months later it happened. You can see if we had had a little overlapping in that particular instance what a useful piece of information that would have been and what use it would have been to us at that time.

Mr. Holifield. You have set up a criterion to evaluate

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information as to whether it is right or wrong. I think there are other factors determining whether information is useful or not.

Mr. C. True, of course, I mean the mere fact that some thing is true might not be useful at all.

Mr. Holifield. Timeliness is a factor.

Mr. C. Timeliness is an important factor, quite true.

Mr. Holifield. Do you mean to say that because you had no other information on this one subject you would arbitrarily throw it aside because you had no other information on that subject with which to compare it?

Mr. C. I am just saying what happened to that information. It seems fantastic at the moment, and I am sorry it was not used.

Mr. Judd. Just like it is fantastic for the Japanese to bomb us.

Mr. Hardy. You mentioned a good many of our Government agencies which collect information. You mentioned the Department of Agriculture. Of course, none of that information in that case which was received from the Department of Agriculture was clandestine information?

Mr. C. I doubt it, but there is no reason why it should not have been. Information on agricultural products can come by clandestine means.

Mr. Hardy. The point which I was trying to get at here is.

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are there any agencies of the Government other than the Army and Navy operating in foreign countries that do secure information in a clandestine way?

Mr. Manasco. You will find the Department of Commerce does.

Mr. Hardy. In a clandestine way?

Mr. Manasco. They get a whole lot of information that would be considered clandestine.

Mr. C. I happen to know of one Government agency that has a clandestine operation.

Mr. Hardy. That was all I wanted. I wanted to clear that up.

Mr. C. A great deal of information is gathered clandestinely which could be gathered in the open. Sometimes it is a matter of geography. If it is readily available openly, there is no sense in having a clandestine operation. The Department of Agriculture might want to know for some reason how the crops are doing in the Ukraine. I see no reason why the Secretary of Agriculture should not ask the Director of Central Intelligence to get the information for them.

Mr. Hardy. I see no reason for securing any information in a clandestine manner that could be secured otherwise.

Mr. C. That is right. The more you do, the danger to security is that much greater, so let us do only what is essential and necessary and do not let us flood the field with

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amateurs who are liable to disclose or, as we say it, "blow a fuse."

Mr. Hardy. On this matter of intelligence would you not agree that it is well for us to separate our thinking with respect to clandestine information and information that is secured in a normal manner?

Mr. G. I do not think so, if I may say that. I have done a lot of thinking on that subject and you always come back to this: Either you believe in a principle that the Central Intelligence Agency shall or shall not engage in operation or you do not believe in a principle and the minute you do not believe in a principle, the minute you say, "Yes, it is all right for them to engage in clandestine operation," then you do not really believe in the principle. I happen to believe in the principle, and I think it doubly dangerous for a central organization, or for an organization that does not engage in ordinary operation, ordinary collection operation, to engage in clandestine operations, and I do not know any better way to put it. As a friend of mine, an expert in G-2, said, "Evaluation has no sex appeal, and this Department of Agriculture stuff carries a kick." Everybody wants to do it, they just love to do it. Once you get started in it, you lose all interest in your normal operation. You forget everything else you are supposed to do because you get excited. Clandestine intelligence is intelligence like anything else. It has to be evaluated, it

fm-17 has to be compared. The mere fact that you got it through a secret organization does not make it one tiny bit better than any other intelligence.

The Chairman. To use an illustration, in the enforcement of the law you may go to your police officer, but everyone of us knows that the milkman and iceman will get you a lot of information that you will not get any other way.

Mr. C. It is sort of a clandestine operation.

The Chairman. Certainly, back door stuff.

Mr. C. Now, to come back to this. It is explained in sections (a), (b), (c), and (d) what the directors shall do. Then it says the organization shall have no police function. The Federal Bureau of Investigation insisted on that. Then it says the intelligence in the department shall be freely available and the operation shall be open to inspection in connection with planning. Further, it says that existing agencies shall continue to evaluate, if you look back at this thing, this thing is addressed to the Secretaries, and it charges them with continuing to collect, evaluate, correlate and disseminate departmental intelligence, and actually the use of the word "collect" in paragraph 6 is the only use of the word "collect" in this whole document.

Now, we get down to 7. It speaks of an advisory board that should be active, then it goes on to paragraph 8 and it says:

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"Other departments and agencies of the executive branch of the Federal Government shall furnish such intelligence information relating to the national security as in their possession, and as the Director of Central Intelligence may from time to time request."

It does not say he should go out and get it for himself. It says the department shall furnish it to him.

Then it says no investigations and finally it says he is responsible for security.

Again, to sum this thing up, it reveals that the Director of Intelligence shall accomplish correlation, evaluation and dissemination of intelligence affecting the national security. He shall plan for the coordination of activities; he shall establish overall policies and objectives. The directive states that the director shall make full use of the staff and facilities of the existing organizations. The directive charges the Secretaries to their own agencies shall continue to collect, evaluate, and disseminate all activities.

Mr. Judd: He says he shall make full use of the departmental agencies. Does that mean he can direct them or control them?

Mr. C. Yes, he can control them, coordinate them.

Mr. Judd. For example, G-2 is operating in the War Department. He can send a directive to the Secretary of War saying that they shall have G-2 do so-and-so and they have got to do it.

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Mr. C. I think so.

Mr. Judd. The Secretary of War cannot overrule him.

Mr. C. In the first place, he has to have permission of the MIA to do it. I will show you in a moment how it works in practice.

Finally, the other agencies are required to furnish information in their possession to the Director of CIG. It says he should obtain these from the other agencies. On the face of this I think it is a pretty good directive. I think it has two faults. It contains a loophole and the loophole is in Section 3(c) and Section 3(d). 3(c) permits the Central Intelligence Agency to perform for the benefit of said intelligence agencies, such service of common concern as the National Intelligence Authority determines can be more efficiently accomplished centrally. Section 3(d) is a similar loophole, but has not been used as yet.

Mr. Riehlman. Why would that be a loophole?

Mr. C. We have a bill if made into law says this describes the functions of the Central Intelligence Agency. When you get down to reading it, you find it does not at all, you have to have the Federal Register with it to understand it. When you finish reading and studying the Federal Register. You find that is meaningless, too, because they have changed it.

The Chairman. Instead of taking the law as written, when we draft this why do we not take such provision out of this and

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they want to provided they get the National Intelligence Authority permission. Section 6 specifically charges the Secretaries of State, War, and Navy with maintaining their own intelligence departments to collect, evaluate, correlate and disseminate departmental intelligence.

Mr. Busbey. If Section 3(c) should be left in there, there should be a clarification as to the duties.

Mr. C. Yes. May I demonstrate that with another document here? Am I permitted to bring up a top secret document at this meeting?

The Chairman. Anything you want that you think will aid us.

Mr. C. Gentlemen, this was signed by the President on the 22nd of January, 1946. On the 8th of July, 1946, six months later, there is a document published by the National Intelligence Authority entitled "NIA Directive No. 5, Top Secret." It says:

"The functions of the Director of Central Intelligence are hereby re-defined as follows, subject to the provisions of this original letter."

Then it comes right into this very loophole I have been talking about. It says:

"Paragraph 3 of the President's letter of January 22 defines the functions of the Director of Central Intelligence as follows" --

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and it copies off Sections (a), (b), (c) and (d) just as we have discussed them a moment ago.

Then it goes on and in a rather harmless paragraph says that the Director of Central Intelligence is hereby authorized to undertake research and analysis. He has already been allowed to do that, based on these determinations, he may centralize such research and analysis. In other words, he has begun to reach out for this, and, in other words, he wants research and analysis people under his own wing.

Paragraph 3 says:

"In addition to the functions specified, the Director of Central Intelligence is hereby authorized and directed to act for this Authority in coordinating all foreign and intelligence activities."

Gentlemen, I do not think that he has a right to do that, because it says here specifically in the President's directive that the Director of Central Intelligence shall be a non-voting member of the National Intelligence Authority and it charges the National Intelligence Authority with having control of him, but here he goes to the National Intelligence Authority and says, "Let me act for you people," and they give him the authority.

Mr. Busbey. Will you read that last paragraph over again?

The Chairman. Just a minute, I do not get the significance

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You say he has not the authority. Who has not the authority, the President or the Director?

Mr. C. Let me see if I can make this clear. The Director of Central Intelligence as set up by the President was intended to be a non-voting member of the National Intelligence Authority, the Authority consisting of the Secretaries. They are told here that they are his bosses, but now he goes to them and says, "Let me act for you," and they give him that right in these words:

"The Director of Central Intelligence is hereby authorized and directed to act for this Authority in coordinating all Federal and foreign intelligence activities relating to national security."

The Chairman. You mean he is to act for these various activities?

Mr. C. That is right.

The Chairman. There has to be an executive secretary to carry out the will of that board.

Mr. Wilson. They did not abdicate by that?

Mr. C. I think they did. That is the point. Let me read you this next section. I think it is an extraordinary surrender of power which they had no right to do.

Mr. Judd. They did not surrender it; it was a delegation of power. They can take it back. They delegated that power to him. He does not have a vote in delegating that power. He

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is a non-voting member. He is responsible to them. I do not see that is out of order.

Mr. C. "Pursuant to paragraph 3(e)" -- that is the one that says you can do certain things centrally if they can be more efficiently done that way -- "the Director of Central Intelligence is hereby directed to perform the following services of common concern which this Authority has determined can be more efficiently accomplished:

"The conduct of all Federal espionage and counter-espionage outside of the United States for the collection of foreign intelligence information required for national security."

Mr. Busbey. That means control over G-2 operations and ONI operations outside of the United States?

Mr. C. I will tell you what it means. The first thing that happened was that the Federal Bureau of Investigation was ordered to get out of South America. The next thing that happened was that the War Department was ordered to liquidate its highly efficient secret intelligence service. Those are the first two things that have happened.

The Chairman. Could you incorporate part of the orders to which you referred now? You said the FBI was ordered to get out of South America.

Mr. C. It was in the New York Times.

The Chairman. It is a Government document?

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put it in there?

Mr. C. I appreciate the question. It would be my recommendation to drop out Section 3(c) and Section 3(d) and leave the rest of the directive as it is.

The Chairman. That is not my point. My point is that instead of any act referring to the Federal Register, put such portion of the Federal Register right there in the law as we want to be law.

Mr. C. In my opinion you are 100 per cent correct. In other words, reprint this directive as law but dropping out Section 3(c) and 3(d).

The Chairman. What is Section 3(d)?

Mr. C. That loophole that says if at some future date the President wants to direct him to do something else, he can do it.

Mr. Judd. You do not think it should be in there?

Mr. C. I personally would be inclined to leave it in.

Mr. Mansco. He could do it without that in there.

Mr. C. I don't know. The directive keeps saying all that has to be done consistent with available law.

Mr. Busbey. Would you say that Section 3(c) and Section 3(d) are contradictory, or at least they are giving a certain authority to two different, shall we say, agencies?

Mr. C. That is one way of analyzing it. In other words, in Section (c) it says that the Central Group can do anything

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Mr. C. The FBI must have it.

Mr. Wilson. There is nothing bad about ordering the FBI out of South America?

Mr. C. I think so.

Mr. Wilson. Why?

Mr. C. Well, from a number of ways. I happen to believe in the principle that the same man cannot correlate, evaluate, and also engage in operations. It is like being judge and jury at the same time. If you correlate and coordinate and at the same time engage in operations, a question will come up when we want some information about that. You will say to yourselves, where will we get that? There is human nature involved. If it is not very hot, let G-2 do it; if it is very hot, we will do that ourselves.

Mr. Wilson. I understand there is a lot of that involved. After all, these folks when they get the information, they have to pass it on to the other organizations.

Mr. C. This does not work out that way.

Mr. Wilson. I agree with you in general principle.

Mr. C. You bring up an extremely important point which was this, that when this directive was written it was Admiral Sowers' intent, and certainly my strong belief, that the relationship between the Central Intelligence Agency and the State, War, and Navy Departments had to be a two-way street. It could not just be information flowing from the War Department

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up to the Central Intelligence Agency. It had to go back down again, so that War, State, and Navy could see for themselves if the stuff was coming out of there with that peculiar subtlety that they thought was essential to a real understanding of the problem.

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A grand friend of mine which was my associate of mine on the Balkan desk in G-2 at the time of the recent Greek crisis prepared a paper. It went from the War Department to Central Intelligence. It never came down. He never saw it again. Some days later he saw his friend on the same desk in the State Department and said to him, "What did you think of my Greek paper?" He said, "I think you have gone crazy. What is the matter with you?" He said, "Why?" They fished out the paper that came down from CIG. It was something that was quite distinct, with a distinct pink tinge. This man would not have agreed to it. That is what will happen if it is not maintained between CIG and the various departments, and if you have a secret intelligence, or if they engage in operation of their own coming into the higher level than State, War, and Navy Departments. Do you follow what I am talking about? Then it cannot go down.

Mr. Harness. In other words, this was distorted between the War Department and State Department and no information of that distortion was ever given to the man who originally sent

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the report in?

Mr. Manasco. Why could we not correct that situation? If the State Department wanted particular information that S-2 had gathered in the Balkans and submitted to Central Intelligence, why could not the Secretary of State or proper official of the State Department request the information that that evaluation was based on and let him evaluate it?

Mr. C. Wait a minute. The point is this, that CIG also advises the President and we do not know whether that particular Greek item that went to CIG, to State, and got distorted on that trip, did not also go to the White House. We do not know.

Mr. Manasco. I would not want to take just a summary of what somebody had read if I had a decision to make. We do that with our staff here, but I want to read the bill.

Mr. C. CIG is supposed to give you overall evaluation gathered from all these other places.

Mr. Dorn. You are opposed then to CIG collecting the stuff?

Mr. C. I oppose the collecting. I am all in favor of the correlation.

Mr. Dorn. But not the collecting?

Mr. C. That is right.

Mr. Manasco. That would not have changed the paper that went to the State Department?

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The Chairman. He said yes it would.

Mr. Mansoor. I do not know how it would. They could order it.

Mr. C. If that hat is the President and this is the Director of Central Intelligence and here is War, State and Navy, intelligence flows into these departments this way, and it goes from here to the Director of Central Intelligence. He is not supposed to put out anything, and this was the principle under which the Joint Chiefs of Staff Intelligence Committee operated quite successfully. He could not send anything on to the President until it had the approval of all three. In other words, it is a two-way street. What goes up has to come down, or be made available to those people. This two-way street is broken when these people engage in operations themselves and this alley becomes a secret intelligence or even ordinary intelligence agency.

Let us say that State, War, and Navy all agree on a certain picture of the Greek situation and it goes to the Director of Central Intelligence. He, through his own collection agencies, gets a report that says, well, my goodness sakes, I do not think these fellows are right. Because that comes in at a higher level he cannot send that down to these people; intelligence does not work that way.

The Chairman. They go on in their ignorance?

Mr. C. They go on in their ignorance, dreaming that they

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are using this thing he sent over. He could not do it if he got it out of the collection operation.

Mr. Judd: What do you mean, he got something different?

Mr. C. He has gone to the President with something different.

Mr. Judd. The President has to bring it back down to them with his order on it?

Mr. C. But he does not.

The Chairman. He gives him the wrong order because of

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the information that comes in from the side.

Mr. Wilson. Suppose he gives him an order based on the misinformation? Do you not think the Secretary of War would raise hell?

Mr. C. He did not know it in this Greek situation until this by pure friendship and accident they had visit across the board here.

Mr. Wilson. My question is, ordinarily would not the order he gave be recognized by the Secretary as being based on wrong information?

Mr. C. I cannot believe the Secretary of War would know the full details of the Greek situation.

The Chairman. Is that not what you have in China, the were by-passing somebody and undermining someone?

Mr. Judd. It was in the State Department.

The Chairman. But it was somebody in the Department

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raising hob with their own orders.

Mr. C. May I come back to a question asked down here a minute ago. How did this come about this way?

At the end of the war the OSS was around. The question as to what in the world to do with it. They finally divided it up between the War Department and State Department. Then the question at that time, everybody said intelligence is a mess, we have to have a central intelligence agency to correlate and coordinate all these activities. It was held, and respectfully so, that the collection was not too bad. After all, the information on Pearl Harbor was all over Washington. It was that it was not pulled together and given to the right person at the right time. Everybody agreed, alright, we will have a central intelligence agency charged with the correlation, evaluation and dissemination of the stuff that is already floating all over the place.

Mr. Dorn. In that connection, though, here is your central intelligence agency right here. I agree with you, they should correlate, evaluate and disseminate intelligence coming in from these three branches here, and they should give back to the heads of these three departments the information they should have. However, up here in their dissemination and evaluation they find out there is a wide diversion of opinion in intelligence here and here. They would need intelligence of their own. Would you have any objection?

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Mr. C. Most certainly. It is like this: It is as though you and the Supreme Court were sitting here and before you are all these barristers and lawyers and they come in with all this information and you sitting in the Supreme Court said, "There doesn't seem to be any agreement among these fellows; I think I will have one of my own men go out and get the information."

Mr. Hardy. Is this thing not a matter of operational detail we could not possibly write in this bill? If the method of flow needs to be corrected, that should be done in an administrative way and you cannot incorporate all this stuff. The one principle that is involved in this thing is the question of whether this top agency is going to collect?

Mr. C. That is right.

Mr. Harness. Whether we should write into the law this provision which he says now gives him the right to do this

Mr. Hardy. The question is as to whether this information is going to go down. Whether that is going to be made available is an administrative detail.

Mr. C. Thus, and I think if you drop 3(c) and 3(d) the problem is solved. It already says in there that the various Secretaries are charged with getting it, they are charged with keeping up their own organization, not surrendering them to the central organization.

Mr. Hardy. Regardless of who collects your clandestine information, it should be coordinated and then should get back

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to the thing you are talking about.

Mr. G. I agree absolutely, but it does not necessarily go back because it comes in down here. That is another important point. Here is the War Department, here is a great deal of information flowing in there of all kinds. Now, of the hundreds of channels flowing into G-2, one is a clandestine outfit and it is put in there to hide it away. The stuff that comes in there from that outfit is handled in such a way that it looks like any other intelligence to the normal handling it. That has every advantage. In the first place, it keeps it from looking clandestine. In the second place, it keeps people from thinking that is a secret place of information. This must be much more important than anything else I have. The third and most important is that the piece of information has to elbow its way through every other piece of information in G-2 and gets no special attention, and when it comes up through and gets to CIG it has been properly evaluated. Let us transfer this secret agency and put it up here. In the first place, it is out in the open; it is in a showcase. How are you going to hide it. No lines go in there except this one. Let us say there is no other information up there, that it has to fight its way through, and look at the disproportion you will get. War, State, and Navy agree on something; this thing disagrees. If it disagrees, it will be thrown out down here. But up here the man says, "Gentlemen, this is our own secret

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thing, I do not know, maybe they are right. He may some day pick it up and run with it and we are wrong, we are hooked

One other thing, out of hundreds of lines is one clandestine line coming in, it is infiltrated. The modern system of intelligence is not to shoot the man. The trick today is to give him 90 per cent incorrect material and 10 per cent correct material. They feed it. If it comes up here and he says he has compromised it by some accident, there is no great damage done, but if this place is compromised, look at the danger we are in. It is just the wrong place for that stuff to come in.

Mr. Dorn. What do you suggest about this? If you are up here in your top echelon of evaluation and correlation, they find that this outfit is not getting the information that they probably should, how are they going to correct their intelligence set up in this particular department? Will that be done in that department?

Mr. C. I say these people have plenty of authority from that directive to go in there and get this done. That is quite different than saying, "I will do it, get this done."

Gentlemen, suppose you own a ranch and you have thousands of acres and tens of thousands of heads of cattle. Policy is determined by the man sitting in the ranch house. He does not say, "Well, I am going to send five carloads to Colorado and I am going to send five carloads to Chicago," and then run out with his horse and collect those. Nonsense. He says, "We will

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send this stuff," and the boys go out and do the work.

Mr. Judd. Your report is wrong, because the report from the Central Intelligence Agency does not go up to the President; it goes up to the Secretaries of War and Navy and the Secretary of State, up to the Secretary of the National Security Council. The collection comes through there but when it gets up there it is not under the President but under the National Security Council. They decide what is done with this information.

Mr. C. It does not work out that way. We do not have time.

Mr. Judd. There is no need to keep them under the National Security Council unless the National Security Council is going to function.

Mr. C. This fellow, as I understand, is charged with the proper dissemination of information. That might mean take it to the White House. It might mean even take it over to the Botanical Gardens. I do not know, but he is charged with seeing that it gets to the right place. I am quite sure that was the intent of this Presidential directive to make sure he gets the information, sees that there are no blank spots and delivers it to the right person.

Mr. Harness. There was an executive order made in July 1946 that made it possible for this Central Agency to distort the meaning of this law?

Mr. C. I believe so, sir.

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I would like to finish the rest of this order No. 5.

The directive requires State, War and Navy to give CIG at his request the funds, the personnel, the facilities and other assistance necessary to carry out these new functions, this re-definition that we are talking about, and if he still needs more money he is to ask NIA for a supplemental budget. Nothing like that was contemplated when this directive was given.

You know the first thing that happened after this paragraph was written in. Admiral Sowers told me, who really did the most work on this, he said after that directive was written and it was: "perform, for the benefit of said intelligence agencies, such services of common service," he said, "I was flooded, War, State and Navy came to me and said, 'Please take over these desks, let me give you this.'" Admiral Sowers said, "I kept saying, 'Look, I am starting in business, I do not want to pick up the odds and ends you do not want.'" They said this can be done better centrally. Also, at that time he had some ambitious young men, and during the time I was making this study for the House Military Affairs Committee I had Admiral Sowers' permission to talk to everybody in CIG and it was very easy for me because this particular man was my predecessor as Secretary of the Joint Intelligence Committee of the Joint Chiefs of Staff. He said, "We are going to do a lot of things here. We are going to take over the Who's Who files. It is a waste of time and money to have a Who's Who

fn-36 file for the Army, a Who's Who file for the Navy, and a Who's Who file over there. We are going to have them in one place." How are you going to get them to the man when he needs them? We will have a motorcycle service and the stuff will get there faster than it does today. I said, "Let us see what happened to G-2. I was in the Balkan section in G-2 and except for the Chinese I think we had the most unpronounceable names in the whole place. We would get a Balkan report saying Mr. So-and-so was doing this and the other and we turned around and there two or three people who knew the language and said, 'Who is this bird?' And it came out and we had the record like that. When it turned functional they took the files away and took them down to the middle of the Pentagon. When we wanted to get the same report, we would call up and say, 'Let us have the card on so-and-so.' They said, 'You cannot mention names over the phone.' You then would send the girl down there. She would come back with a message saying they are working with China now, or it will be up in an hour or two. The next thing was that you said, 'The hell with it, we will keep our own.'"

Now, they are going to take those Who's Who files and take them out of the Pentagon and take them somewhere else in town with a motorcycle escort. That is one of the difficulties with theoretical over-centralization.

Mr. Dorn. Here is your Central Intelligence Agency here. All right. In their correlation and evaluation of material

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that is coming into them they feel national security is in danger. They have information of which they are pretty sure. To whom should they go from there on to have this information immediately and promptly acted on, to this National Security Council or directly to the head of the national defense?

Mr. G. It depends on where it is supposed to go. For instance, today I know that Central Intelligence publishes hundreds of little items. They are distributed to G-2. They come in like anybody else's intelligence. It is not worthy of a big central important evaluating agency, the little items of that come out there. I will grant that in the flow of business lots of little items will come. I am sure they cannot say, "You must send all the stuff to the National Security Council." They would not be bothered, because then comes a good piece that is lost in the shuffle because they get in the habit of reading the junk, and when a good one comes along they do not get the significance.

Mr. Dorn. If there were a potential attack, then it would be up to them to see the proper official, whether it is the National Security Board or the head of national defense.

Mr. G. That is the way I understand it. For instance, if a competent head were in there and he heard an attack was coming and the attack was imminent and it was going to be in Detroit, he certainly would get that information to the Secretary of War before he got it to the Secretary of the Navy.

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Seconds count. He has to use his bean on this set-up. Seconds count.

Mr. Dorn. Should he go to the National Security Council, or the man responsible for the whole set-up?

Mr. C. And the War Department and the coroner and maybe the chief of police of Detroit, I do not know, but he had better get on the job. If he is going to land in the middle of the ocean, he had better get the Secretary of the Navy first. He is charged with dissemination to the proper person here.

Mr. Dorn. That is his responsibility?

Mr. C. Yes, sir.

Mr. Wadsworth. There is no difference of opinion about that. That is in the bill and in the Executive Order and he is still responsible for it.

Mr. C. As you well know, a man can never surprise his boss, and if he is under the Secretary of National Defense and does not tell him right off the reel, he is not very smart.

Mr. Harness. Under section (a) of Section 3 it says:

"Accomplish the correlation and evaluation of intelligence relating to the national security, and the appropriation dissemination within the Government of the resulting strategic and national policy intelligence."

What does that mean, if it does not mean that he should send back to the Secretary of War the evaluation of the report that was originally sent there?

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Mr. G. It means just what we have been talking about, that it is up to him to properly disseminate it. In other words, everybody who is primarily concerned must get that intelligence.

Mr. Harness. That is what I thought it meant but you gave an illustration a moment ago of a man in the War Department making a report which got over to the State Department and it was distorted somewhere along the line?

Mr. G. That is right.

Mr. Harness. When they evaluated or attempted to evaluate that, they said it was screwy and they did not even disseminate that back.

Mr. G. They changed it. They changed the tenor of it and sent it down to State.

Mr. Judd. Did they send it back to War?

The Chairman. They did from here and sent it up, but they sent back their version.

Mr. Harness. There is nothing that we could write in the law to change that. That is downright crooked.

Mr. G. I have talked to everybody on this, Admiral Carter, Admiral Sowers. I have brought this up with General Wright, confronted Admiral Hill, and I said, "How did that happen, how could such a thing happen?" He said, "It is a mistake."

You know, mistakes like that should not happen. When I go to my friends in G-2 and ask, "Is this two-way flow really

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working?" They say, "No, nothing comes out of there that is worth a darn."

I believe one reason it is getting clogged up is because they are bored with evaluation. They are bored with dissemination and they want to be in this spy business.

The Chairman. Did not this come about up here because of that side line coming in there?

Mr. C. I cannot guarantee that.

The Chairman. That is the way it could have been.

Mr. C. It certainly could.

The Chairman. That is why you do not want this sideline?

Mr. C. Exactly.

Mr. Harness. How are you going to protect yourself from that?

Mr. C. By taking out Sections 3(c) and 3(d).

Mr. Manasco. Suppose the War Department had checked G-2, you could send it up there. The State Department requested it. That would work where the State Department would then go back and check with War, they could cull out information all they wanted to, anyhow?

Mr. C. This is designed to prevent that.

Coming back again to where we were a minute ago, when this was originally planned the plan was that this man in the middle was to be a very powerful figure, all intelligence was to go to him, he was to fix it up, and he was to pass it on to

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the President. The Navy, Admiral Sovers, broke that. They said that principle is no good because if that happens, every one of these people will not be certain that this information is being passed on with that shade of meaning they mean, and we will have this running around in circles. Do not pay any attention to that. The Navy had this counterplan consisting of a two-way street. Everything that goes up has to come down. In order to do that, you have to make the Director of Central Intelligence a less important figure, and that is why he was named a non-voting member of this board. When this was put up to the President, "Mr. President, you can either have the State Department plan whereby he will fix up the intelligence and pass it on, or you can have it really where he will not pass it on, where the three departments are not all agreed on which plan you prefer," He said, "That is the one for me. I would like to make one change, and I would like to add my personal Chief of Staff, Admiral Leahy."

We said, "That is great." What have we done since that day? We have gone all around the clock and we are back to the very plan we decided not to have.

In the study I made for the House Military Affairs Committee and at the time Admiral Sovers left, the CIG was split almost half-way between officers who believed as I do, and the other half who are very ambitious and said, "Gentlemen, which is this going to be, a super-doooper agency? This is going to

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have all the powers that OSS had and more." We are going to have all the maps. They said, "Let us have the maps, we are going in the printing business."

When General Vandenberg came in and Admiral Sowers introduced me to him, the first conversation I had with General Vandenberg was on the steps of the Pentagon. He said, "I have heard about you, come in and see me. I will be glad to talk this over with you." He said, "Come back in a car with me," but I was not able to do it.

I said, "I am primarily interested in this question: Do you believe in a coordinating and evaluating agency or operation in central intelligence?"

He said, "I will tell you this, I do not believe in any damn coordinating sewing circle."

From that moment on we had that drive that the central agency must do more and more and when it does that, we find out the fact that he is a non-voting member isn't overcome by the fact that he is delegating power to them and he knocks the War Department over the head and Navy Department over the head. Suppose the Atomic Energy Commission decided that they wanted to have a clandestine intelligence agency of their own, even an open intelligence agency of their own. Under this directive they cannot do it, and yet how many atomic energy experts are there. Are there enough to have a full set in the Atomic Energy Commission and another full set sitting in here?

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Mr. Hardy. What method do you think he employed to get the Secretary of War, of Navy, and of State together with Admiral Leahy to agree to that change if it was so onerous to ONI? Why did the Secretary of Navy agree? It was so onerous to G-2, why did the Secretary of War agree?

Mr. G. I happen to know the Secretary of War agreed before he asked G-2, and G-2 when first approached objected to it. He said to me the other day, "My orders are that this thing should be abolished, and these are my orders until some higher power, perhaps the Congress, changes them." That is what he said.

Mr. Wadsworth. I think it is fair to say that perhaps you have given an impartial explanation of what happened.

_____ this morning said this final decision to put Central Intelligence in the operation field in clandestine information was agreed upon unanimously by the chief of ONI and the chief of G-2 and the State Department representative.

Mr. G. I can tell you that in my discussion with Admiral Ingalls, and you can check this with him, Admiral Ingalls said, "I would like to wash my hands of the clandestine intelligence. I did not want it in the Navy." He said, "Would it not be a terrible thing if we had clandestine intelligence," and this was right after the Russian blow-up in Canada, "would it not be a terrible thing if the Navy were caught dealing in secret intelligence?"

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I said, "Admiral, do you not think it would be a worse thing if the Central Agency were caught dealing in ash intelligence?" Again Admiral Sowers the other day said, "The Navy will not be competent to do this kind of thing. This takes a peculiar kind of man. Frankly, I do not think the Army is ever going to be competent with a quick turnover in officers. This needs something permanent." I said, "I agree with you, and therefore I believe we should have lots of these little things put in the places where they belong so that if one of them is knocked out because of inefficiency of somebody who does not know how to do it, it stays on, but if you only have one, and that is not run properly, and after all we have been doing it for five years and the British for 500 years, they have learned a lot of tricks about this."

Mr. Wadsworth. _____ testified this morning that the British had centralized collection of clandestine intelligence.

Mr. C. I think you are going to have a witness later, unless I am mistaken, who has a full description of the British, Russian, French and Chinese intelligence systems, but not a single one of them is centralized.

Mr. Busbey. May I clear up a question in my mind? In the secret intelligence operation of G-2, are not all the men in that operational activity under the supervision and direction of the War Department, or do they go outside to some

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extent?

Mr. C. Congressman, you again are going to have a man, two witnesses here, one gentleman who set up the War Department in secret intelligence plan, and a man who has been operating it for five years, and I would greatly prefer that they answer that question. They are experts in that field.

Mr. Wadsworth. Without desiring to shut Mr. C off, I think he has given us his view of the situation on a most interesting and difficult problem. He has mentioned other witnesses. Should we not proceed with the other witnesses?

Mr. Judd. I have one question regarding Section 10 of this directive. The last paragraph reads:

"The Director of Central Intelligence shall be responsible for fully protecting intelligence sources and methods."

How can he protect intelligence sources and methods that are not under his control, that are down in the War and Navy Departments? How can he protect them? I do not quite understand that. How could he if he does not control them?

Mr. C. He does have control to a certain extent, but that is the usual clause on a protection of sources, on security, that goes into almost anything dealing with the Army. You will find that in practice the Director of Central Intelligence is responsible only for security in his own organization; G-2 is responsible for security all through the War Department.

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Mr. Judd. I have another question. Do you find where you have three sets of people working on the same problem, that, to use a phrase, they get their wires crossed, and get into trouble if there is not direction at the top, so that the man in Central Intelligence uses a man here, but he does not send a man from the Army, Navy and State Departments mixed up after the same secret?

Mr. C. That is a very oversimplified way of stating what happened. You get your wires crossed even with the most efficient operation. Again, if you will take that up with _____, he will tell you on occasion in the last war in Spain the FBI and his organization got their wires crossed and the minute they found out who it was, they withdrew and in fact strengthened both their lines by cooperative effort. Also, on several occasions wires were crossed between the War Department SI and the OSS, and on one occasion the War Department SI was disclosed to the British as a result of that.

Mr. Judd. Should not somebody here in Washington at Central Intelligence Agency be avoiding a clash between the two intelligence agencies of our own?

Mr. C. He could not possibly do it, because, for instance if we had today clandestine networks in Budapest, it would be the greatest thing that happened to us. They would undoubtedly fall over each other to a certain extent, but if they were all honest, patriotic Americans, interested only in seeing that

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they get the highest intelligence, you would not have a bit of trouble. If they have a man working for a rival organization, they will cut each other's throats just as fast as they can do it.

Mr. Judd. That is the point. Are there not more rival organizations on this set-up? Do you not think this one man in the central intelligence should know where his men are?

Mr. C. Take that up with _____. Bissell used to say, "Why can you not get these people on the telephone? If I want to talk to a soldier anywhere in the United States Army, I can pick up the telephone and get him on the telephone. Why can you not get your men like that?" Sometimes it takes two or three months to get a fellow.

Mr. Harness. Who is the author of the document which you referred to as being top secret?

Mr. C. This is a directive of the National Intelligence Authority.

Mr. Harness. That would be the Secretary of War, Secretary of Navy, and the Secretary of State?

Mr. C. Plus Admiral Leahy.

Mr. Harness. And they joined in this amendment?

Mr. C. Yes, sir, this redefinition.

Mr. Harness. It really amended the original intent?

Mr. C. It certainly does.

Mr. Harness. It is the same thing as a new directive.

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Mr. G. That is why I say you cannot understand the bill without this, and you cannot understand this without that.

Mr. Harness. Do you have any other recommendations other than those made that we can correct the things of which you complain?

Mr. G. Yes, I have one. Let us try and have a director who is going to be in office long enough and be interested enough in this job to do it right and not regard it as a stepping stone to another job.

Mr. Harness. You think it should be a lifetime job or 10 years or more?

Mr. G. Why has Hoover done such a magnificent job in the FBI? Every technician has his hat off to him. He has not changed jobs every two or three weeks. He does not have three stars on his shoulders and be nice to people with four stars and a little bit snooty to people with only one star. He is in there for life.

You ask me, why did certain people not want this within their own shop? This is one of the things we have to watch. This is a nasty tricky business, this secret intelligence, and lots of officers would like to shed it. I am sure I do General Chamberlain no injustice whatsoever, he wishes to God he had never heard of the thing. To a certain extent, that is true of very fine officers whose careers are involved in this struggle, this fight, this long meeting up here. They

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wish they had never heard of it. But we must have good sound secret intelligence and there are people who know how to run it right.

Mr. Holifield. If that was not discussed before I came in, do you have any opinion as to whether this head man should be a civilian or military man?

Mr. G. I have been asked that many times. I do not care. If he is a darn good American and he is willing to step out of the Army or Navy and take this job as his life work.

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Mr. Holifield. In other words, if a military man is chosen for the job, you feel that he should not be, as you say, with two stars susceptible to four stars, he should become a civilian?

Mr. G. I agree, yes, sir, and frankly I have no objection to his being a soldier because lots of people have learned the technique, I learned this technique in the Army. I would not have known a darn thing about it if I had not been in the Army. Incidentally, the four men who signed this order have had no technical intelligence experience.

Thank you very much.

Mr. Judd. Thank you, Mr. G.

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STATEMENT OF MR. D

Mr. D. I believe that the bill, or the openings made by the bill that would enable the Central Intelligence Group to be a master coordinating, disseminating and policy group, and also be an operating or collection group wrong and dangerous to our national security. I believe that for three reasons: (1) Horse sense, (2) the experience of this agency and the FBI over the past five or seven years, which is little enough, but more than anybody else in the country, and (3) the experience of other major powers whose experience is five or six hundred years old.

That is the argument that I have, and the first one on horse sense is this, if you will permit me to have a figure of speech. If it is necessary to drop one of us out of the window and we had nothing but thin cord, which is comparable to an SI agency covering the millions of people in the world and millions of square miles all over the world, if we had a thin cord here, would you any of you gentlemen like to be thrown out of the window with one string of cord, or prefer to be thrown out of the window with three or four thicknesses of cord? That is my argument on the horse sense part. In other words, a secret intelligence is necessary to fill in the mosaic of information gathered by all other means. With regard to value, it does not amount to too much in peace time, but the pieces it comes out with are very important and necessary to

fu-51 make the entire pattern. If these pieces can be filled in by one agency, fine; but unfortunately nothing is perfect in the world and consequently if there are two or three agencies there is much greater chance of getting these pieces and those spell the difference between likelihood of survival or disaster. In other words, an aviation expedition is starting out with an atomic bomb and it is missed by one SI but caught by another. However, if there is only one SI organization, then what?

It has nothing to do with nets and systems. It is, of course, apparent that in the technical operation one organization will have many systems and will have many nets within those systems, but just like the old proverb, a chain is only as strong as its weakest link, no matter how many nets and systems an organization has in SI, it is only as strong as the entire personnel and one infiltration or penetration by a counter intelligence agency of a foreign power or by someone having ideologies contrary to our democratic concept blows the whole organization up in smoke as far as secret intelligence.

If you have a number that gives you a safety margin, and we are not playing with marbles, we are playing with our national security and our lives, and therefore from a matter of common sense, which is my first argument, I do not believe there is any question that the bill should not make it possible for CIA to have the only and exclusive secret intelligence, but it should have dispersion and there should be secret intelligence in the

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Navy, War, State and FBI.

Mr. Harness. Would you object to the Central Intelligence Agency having also clandestine or secret intelligence? Would you object to the Central Intelligence having secret intelligence?

Mr. D. Yes, sir, I would because in this field.

Mr. Harness. I mean in addition to the other.

Mr. D. Yes, sir. I will answer your question. In this field, sir, if you have the coordinating and evaluating agency also in operations, there is a competitive angle. This is a most terrific and competitive and technical business. You have a competitive angle and also bias, so you can no longer have the master evaluation, the unbiased judgment by the Central Intelligence Group which you would have if they keep out of the operation and collection from all the agencies, which I understand was the purpose in the first place. I know that on my level certainly that was the result of experience of the war, so that the answer is that from a practical standpoint it would finally wind up by killing off the others. There are examples I will come to later when I pick up the experiences of other countries which I have here.

Mr. Judd. On that point, this started out as merely evaluation. After six months it was changed so that it added collection. It would seem to me at least that some high officials were convinced that on the basis of practical experience they

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ought to add collection. They started theoretically not collecting. Have you any idea as to why that change was made?

Mr. D. I have an idea, but it is not based on fact. I just think the people that had these coordinating agencies started to build an empire.

Mr. Judd. And the other people hated to lose their empire?

Mr. D. That is possibly true, sir, but it is not in this case as far as I am concerned, because I made that quite clear, I am not here to fight the liquidation of this agency.

Mr. Judd. I think it would be of value to say why, if you know why, the War Department decided to liquidate its agency?

Mr. D. I do not know what pressure is on people in the service, but I feel absolutely that the order came out from above and that was that.

Mr. Boggs. The Central Intelligence Agency is also a planning agency under this bill. It plans what intelligence it would be helpful to have?

Mr. D. That is right, sir.

Mr. Boggs. Of course, in making those plans the Central Intelligence Agency will find certain information that they have to have to put out good directives.

Mr. D. Yes, sir.

Mr. Boggs. Now, certainly in order to get the information

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which they want, which the Central Intelligence Agency needs, it has to have some control over the agency getting it does it not?

Mr. D. The answer to that, sir, is that I do not want to be misunderstood that I am against the Central Intelligence Group. I am for the Central Intelligence Group. I am for the master evaluating, for a master disseminating agency, for a master policy agency. What I am trying to say is that an agency in order to be more effective and efficient and to make the entire intelligence picture right, should not engage in collection.

Mr. Boggs. Let the War Department do it?

Mr. D. That is right. It can tell the War Department, you do this, or the Navy Department, you do that.

Mr. Boggs. But then the agency would have no control over the War Department?

Mr. D. No, sir, not any more than any command function down to the company commander who has to take a strong point.

Mr. Busbey. This idea just hits me now. In addition to the clandestine intelligence service of the War Department, State Department, and Navy Department, is there some place that we could set up a clandestine branch, outside of the Central Intelligence Group where they could go to order information outside of the scope of these other three that would feed information into the Central Intelligence Group?

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Mr. D. Yes, I think it could be done, but I do not think from a practical standpoint it is necessary because you have the War Department, the War Department can have an SI, the Navy Department can have an SI, the Atomic Energy Commission can have its scientific SI, and the State Department, or as many as will be coordinated by CIG. The CIG may say, we do not want six, we will only allow three or four.

Therefore, I have now covered the horse sense, what I call the horsensense part, except that from a business standpoint it is quite apparent, and it is present in business, you do not put your salesmen in the factory manufacturing, and you do not put your technical people who are manufacturing in the factory on sales. In other words, it is a basic principle, it is a basic principle you might assume in any normal business.

Mr. Harness. I would like to ask you this. If this is your Central Intelligence Agency and here are three, War, Navy, State, through your office G-2 down here --

Mr. D. We would be off this.

Mr. Harness. You send information up here?

Mr. D. We send it right here, and it comes up here.

Mr. Harness. In your experience has any of this filtered back to you after they have evaluated it up here?

Mr. D. The purpose of this Central Intelligence Group is that there is a two-way traffic here.

Mr. Harness. Has it been a two-way traffic?

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Mr. D. Sir, I am not in a position to tell you that, and I will tell you why. I am down here, and I am not concerned, and I will bring that up in my next point. I am not concerned with anything that happens to my reports unless a system is such that it is discovered that something sinister is happening to them, they are being eliminated or being misinterpreted. Actually, my job is collecting.

Mr. Busbey. In other words, that is to be answered by somebody in G-2?

Mr. Wilson. Suppose it is misinterpreted? If you get certain information and send it in and it is misinterpreted to the State Department, would you know about it?

Mr. D. Yes, because it would come back here, as well as here, and then when my people contact the various desks they will see. That has happened, and you are leading to my second point, they would realize that here we have been pouring information one way and the desk says something else, so they will immediately get busy, and that is a wonderful question because it leads right into my second point, that there is something cock-eyed.

Mr. Wilson. And they let you know about it?

Mr. D. My contacts with the desk would immediately know about them.

Mr. Wilson. They would try to iron that out to see who was right?

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Mr. D. That is right.

Now, under the other system there is not as much sound double check because if anything gets sour here --

Mr. Harness. If they have a secret line in here?

Mr. D. That is right.

Mr. Judd. Would not their conclusion, whether based on just these three lines, or these three lines plus a fourth line, still have to come back down to you?

Mr. D. Yes, it would have to come down, but, do you not see, we would not be there any more.

Mr. Judd. What you are saying is that if up in the Central it has a line of its own --

Mr. D. My line is half liquidated now, sir.

Now, the next point is the experience that we have had in the five to seven years. I say five to seven years because the War Department has had five years experience. I started the agency for the War Department five years ago about the middle of 1942, over five years, and the FBI seven years ago, and the experience has been that this works out well for a number of reasons which would not occur on the other basis.

(Discussion off the record.)

Smith
fols
7 5 pm

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SMITH
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(Martin C. Smith, the committee stenographer, was duly sworn by the Chairman as follows:

(The Chairman: Do you solemnly swear you will not, directly or indirectly, communicate to anyone, any of the information which you may obtain here, either by hearing, recording, transcribing, or handling, the hearings, so help you God?

(Mr. Smith: I do.)

STATEMENT OF MR. "E".

Mr. Wadsworth. Will you give us a brief description of your experience and service?

Mr. E. I am retired.

Mr. Wadsworth. Brigadier General.

Mr. E. Brigadier General, U. S. Army, retired January of this year, sir, after some 35 years' service, 20 years of which have been devoted to intelligence in various places; during the early days of the war, Deputy G-2 of the War Department, and Chief of the Military Intelligence Service, and have had a number of experiences abroad in military attache work and other forms of intelligence.

So you may say, sir, that I am one of the oldest officers in this line of business, although I am retired at the present time.

Mr. Wadsworth. We have had testimony, very, very interesting, from the man who just left the room, and others, and they all have decided in their opinion that it would be a grave mistake to centralize the collection of S.I. in C.I.O. or its successor.

I am not sure that you want to explore the whole subject before us, in view of the lateness of the hour, but could you give us briefly your own conception of that situation?

Mr. E. Yes, sir. I would like to very much, and I will make it very brief.

I was in at the beginning of the formation of what we might call our first effort at strategical high level intelligence. Coming into the War Department in the beginning of the war, just before the war, rather, there really was no strategic or clandestine secret intelligence. One or two individuals composed a sort of attempted espionage net.

The general experience and vision in regard to collection of information on the part of various government agencies with which I was thoroughly familiar were somewhat narrow, although I do say the field was covered in that limited sense.

So that when we approached Pearl Harbor, we were collecting information, there is no question about that. And with a certain amount of influence, no doubt our national outlook on life, we did not go too far afield on these fields. The coverage was incomplete.

Mr. Wadsworth. Incomplete?

Mr. E. Incomplete.

Mr. Wadsworth. Yes.

Mr. E. However, the glaring defect, the tragic lack was not collection; it was a proper evaluation, the lack of a proper and centralized evaluation of the information obtained by the various government agencies, and its dissemination or application to high level planning. Of course, all of the leading officials of the War Department.

particularly in the intelligence agencies, realized that we must expand our intelligence at once, and while there was some little debate as to whether the War Department should go into the field of secret or clandestine intelligence, or whether it should be passed on to the gentlemen who were heading the new office of information, who had great visions of collection operations, getting ready to cover all fields of collection of information, the War Department very quietly went about its way preparing for a secret intelligence.

I was Chief of the Military Intelligence Service, and had the authority of my Chief, who was G-2, the late Major General George Strong, who in turn had the complete confidence of General George C. Marshall, the Chief of Staff, so it was in about April, I believe, sir, of 1942, that we, it was decided among those responsible, I do not remember just who they were, that the more active operational side of intelligence should go to CII, Coordinated Information, that is, you know, the office that preceded the OSS, and that the regular Intelligence Services should proceed from there with their own intelligence activities.

This gave the official approval and direction to me to organize and set on foot the secret intelligence service.

By December of that year this directive was expanded, perhaps it was October, was expanded to instruct me, which I in turn instructed my predecessor at this hearing, that he

would not only institute a secret intelligence service, looking to the current needs of the current war effort, but that he would lay the foundation for a perpetual, a far-seeing, a far-distant, continuing secret intelligence service.

Furthermore, he was instructed, and he was chosen particularly because he could take such instructions, that all of this should be done under the terms of the highest secrecy, even of what we called "privacy" in the highest strategic sense.

Gentlemen, that was the birth of high level intelligence, secret intelligence operations in our government. It was so securely operated that for many years it was not known at all.

Mr. Wadsworth. It was what?

Mr. E. It was not known, its existence was not known.

Mr. Wadsworth. That is right.

Mr. E. And when I left the direction of that office at the beginning of 1944, only those in the War Department and the State and the President's office, the President himself, who had to know by virtue of approving certain operations, knew it existed.

Now, if I can just jump over for a few years, you can well imagine with what a shock I read the words in the New York Times on May 18 that the War Department secret intelligence was wiped out. I had never seen those words in print before, and they had never been typed or they had never existed as

such, those words, the War Department secret intelligence. And there were reference terms that were used, rather than to speak of it as such. That was how secure it was. I mention that to indicate merely in the interests of security.

I would like to say, sir, that I am heartily in favor of this unification service in the bill as a soldier and as a citizen because I was intimately acquainted with the serious deficiencies of our intelligence at the beginning of the war, that is, there was no centralized evaluation and dissemination or application to high level planning in operations. I am profoundly in favor of a central intelligence system.

However, not only my experience in these last five years of my active duty, which was concerned with all aspects of high level intelligence, including joint security control, methods of deception, kindred aspects of intelligence, secret and private, and otherwise, together with my intimate study, as it was my duty to do, of some of the foreign intelligence systems, and working in intimate contact with our British and French Allies, particularly the British, and here I would like to digress a moment to say that since my late Chief, General Strong, is no longer living, I perhaps am the only one living of the first American officers who got inside all aspects of the British intelligence, so that I know by experience and study foreign intelligence, and without exception where mistakes were made, it was because of

the overburdening of the central intelligence directional control, or the failure of the high level political direction of the government to take advantage of the strategic intelligence given them by all agencies. So therefore I am convinced that the Congress would be wise to pass such a bill.

It would be unwise to empower the central intelligence authority to overburden itself with operations, particularly collection operations, which takes our thought and time, is romantic, takes a lot of activity, is the most exciting part of intelligence, takes a lot of running, which would take their eye off their main strategic mission, that is, to serve the national security, and laying before the national planner years before the war takes place, sir, that evaluated information, the very essence of which will dictate the answer to what our government should do.

I believe, sir, that it is entirely proper under paragraphs 3-A and B of the present directive, which is really a very interesting and a very clear paper on the whole, and should not be lightly thrown to one side, that under paragraphs 3-A and B, there is such a wide scope of authority and responsibility to be assigned to the chief of the Central Intelligence and Director of Central Intelligence that were he to become engaged with his immediate office in the actual business of operations, particularly collection in its commonly accepted

term or in its refinement, and particularly in secret intelligence, that he would neglect one or the other, that his staff would, also, and that the main mission of serving the national security would suffer.

It would in effect mean that they would roll up their sleeves and get busy in the business of turning out intelligence.

Mr. McCormack. Turning out what?

Mr. M. Turning out intelligence, not only going out into the field to harvest information, but they would be rubbing the machinery to grind it out, and they would be attempting to advise and to distribute it and to disseminate it, too.

Those are three great, tremendous processes; the climax is the latter, but under the overall authority of Paragraphs 3-A and B, they would have the policy, and the control, and the direction and coordination, and the correlation of all operations, making use of the existing intelligence agencies or new ones, if necessary, organized for a specific purpose to cover a field which is not covered. As such, they would have a greater influence over collection and kindred operations, and keep an eye on their main mission, but by the attempt to coordinate through regular agencies could, I believe, sir, produce better information to be evaluated centrally and applied centrally.

I am very grateful for the opportunity to speak that

opinion.

Mr. Wadsworth. We respect your opinion. Your experience has been extraordinary.

Mr. McCormack. I join with Mr. Wadsworth on that.

Mr. Wadsworth. We are glad to have this expression of opinion on our record. In other words, you think it would be a mistake to lodge with the CIG or the central agency the job of collecting secret intelligence.

Mr. E. I do, sir.

Mr. McCormack. But you believe that they should be given tremendous power, other than that, the power of coordination, the power of direction, when the policy has been established.

Mr. E. Precisely.

Mr. McCormack. Even the policy to create new agencies, new activities, temporarily or otherwise, where there is a need or some special mission, and that to utilize all of the collection agencies wherever they deem it necessary, so that the maximum results would be obtained, but still complying with, and I suppose in the secret intelligence you call it the law of dispersion.

Mr. E. That is right. Decentralization in a military sense. Otherwise, you must remember too that the enemy looking at what we are doing and time is short, and it is difficult to initiate new intelligence and make them

efficient in a short time. So let us direct and contro
and coordinate and get the best we can right now.

Mr. Judd. And also in order to disseminate this agency
should have the power, if, for example, like the night before
Pearl Harbor, in some way to have them pay attention, to have
the right to insist.

Mr. H. Precisely.

Mr. Judd. Thank you.

STATEMENT OF MR. "P".

Mr. Judd. Will you identify yourself?

Mr. P. My present assignment duty is Chief of Naval Intelligence. I have occupied that post for something over two years.

Mr. Judd. You are Chief of Naval Intelligence. That is not the same as secret intelligence. It includes secret intelligence?

Mr. P. It may, yes, sir; the entire intelligence service of the Navy.

Mr. Judd. Proceed.

Mr. P. Mr. Chairman, in order to save time, I would like to read a prepared statement which will take about 10 or 12 minutes.

Mr. Lanham. In brief, yours is the same as G-2 in the Army, is it not?

Mr. P. Yes, sir.

Thorough, reliable and efficiently disseminated intelligence is essential to our security. Our safety demands that we be forewarned, yet we cannot be truly forewarned unless we are forewarned. We are faced, then, with the imperative problem of establishing now the best possible system for the fulfillment of our intelligence requirements.

Prior to World War II, liaison and coordination between the various departmental intelligence agencies of the U. S.

Mr. F. That will come in the next subparagraph, sir.
We are coming to that in subparagraph c.

c. It should conduct those intelligence activities which the departments concerned agree need not be performed by one or more departments of the government for special technical or operational reasons and can be most effectively and economically accomplished by a central agency. Examples of such activities are: special secret operations, by that I mean running an organized spy network, monitoring of press and propaganda broadcasts of foreign powers, study of captured and other foreign documents for intelligence materials; and exploitation of domestic sources of foreign intelligence.

Mr. Manasco. If these people were all under Central Intelligence, the spy network, when they go abroad, you would not have them shown as being employees of the Central Intelligence Agency. That would immediately endanger the lives of those people.

Mr. F. Of course, they would have to be operating under cover. Their presence would have to be explainable or explained by some other motive or some other reason.

Mr. Manasco. As travelers and so forth.

Mr. F. Business men, anything that might be effective.

Mr. Manasco. That is one of the things I have been a little afraid of; if we just say that it is in the role of employees of the Central Intelligence Agency in the Federal

and a representative of the President, which might be anyone, that is the top level authority, and it is because the President has delegated to that group as a body the authority for the coordination of all departments that the Director of Central Intelligence acting on that authority can give instructions to the intelligence agencies of their respective departments.

Mr. Judd. When it says "It should coordinate the intelligence activities of all departments", that means it has the power to give instructions to them.

Mr. F. Yes, sir, with the approval of the governing body.

Mr. Judd. Those instructions could be to instruct it to approach a problem from two different angles or to lay off.

Mr. F. That is right.

Mr. Judd. In case there was overlapping.

Mr. F. It could allocate a task to one department or another, or if they desired, the Central Intelligence could do it itself.

Mr. Judd. The purpose is not to actually regulate all of the details of it, but to see that the total picture is covered.

Mr. F. That is right.

Mr. Lanham. You said the central agency could do it itself; just what do you mean by that? They could gather the information themselves?

Government was informal and personal. Certain interdepartmental committees had been formed but the effectiveness of their cooperation was in proportion to the voluntary effort and interest which the committee members were willing to devote to the subject. There was cooperation, and sometimes it was very good, but on the whole it was haphazard and fluctuating because there existed no clear line of responsibility and authority.

The surprise attack on Pearl Harbor, and the subsequent early operations of the past war, forcefully demonstrated the need for closer coordination of all intelligence activities. But coordination of effort, however important, was not in itself sufficient to meet the needs imposed by global war. The preparation of our early strategic plans demonstrated the further need for an immediate expansion of our national intelligence effort.

To meet these needs, coordination and expansion, there were formed in Washington various new agencies such as the Joint Intelligence Committee, the OSS, the Joint Target Group, and the Interdepartmental Intelligence Committee. In the field, where a single commander exercised unit of command within a war theater, our intelligence needs were successfully met by forming joint agencies such as the Joint Intelligence Center, Pacific Ocean Area.

Wartime experience, and an evaluation of our future needs

demonstrates the necessity for some form of a national intelligence agency. Only through such an agency, charged with production of intelligence and with coordination of all intelligence efforts, can we hope to achieve the most effective and the most economical coverage. Present day development of weapons of mass destruction emphasize the need for a central intelligence agency. Our future security, more than ever before, will depend upon timely warning of impending attack.

The first step taken toward the solution of our present day intelligence problem was the establishment of the Central Intelligence Group in conformity with the President's letter of 22 January 1946, which is quoted in the Federal Register.

I firmly believe in the concept of central intelligence for its advantage to the Nation and the Navy. In order for a central agency to function to the best effect, however, it requires the solid foundation and permanent status that can be derived only from legislative action. I, therefore, favor passage of S. 758, the so-called National Defense Act.

Mr. Judd. You prefer that?

Mr. F. That is, I favor the intelligence portion of that.

I favor passage of S. 758 since it would provide the type of central intelligence agency I consider necessary to our security. My testimony will be limited to the intelligence aspects of the bill for it is in that field that I have

official responsibility.

Functions: A Central Intelligence Agency should be authorized to perform three major functions:

a. It should produce finished intelligence relating to national policy from the evaluation and correlation of information received from all sources, including other intelligence agencies of the government. In addition, it should be authorized to produce any type of finished intelligence for any one or more departments of the government when such intelligence can be produced more economically and efficiently by a central organization and it has been determined that such production is in the national interest.

Mr. Latham. Does that production include the gathering of information?

Mr. F. No, sir, that is the evaluation and dissemination

b. It should coordinate the intelligence activities of all governmental departments in order to avoid needless duplication and to insure complete coverage.

Mr. Judd. How much authority does that involve. It states "It should coordinate." How near is that to "direct"?

Mr. F. That is the manner in which it is working now, sir, and it will be the same if the bill is passed. The authority stems from the National Intelligence or the National Security Council. The National Intelligence Authority includes the Secretaries of State, War and Navy

Government, anybody can get in the role of the employees, and I would not want them, because the man happened to be working for them, would not want them shot over in Bulgaria.

Mr. F. No, sir, that would be fatal for the people who actually do the secret work.

Mr. Judd. When you say special secret operations, you mean supplementing the secret operations carried on by the Navy and the Army and the State Department.

Mr. F. Well, in general, subject to certain exceptions. In general my philosophy is that the Army and the Navy and State Departments would get out of that field.

Mr. Judd. Would get out of the secret operations?

Mr. F. Of operating secret spy networks, yes, sir. I mean organized networks. There are opportunities that we have for work of that type, not in an organized way. Perhaps I can explain it best by an example.

We will say that a French naval officer is willing to sell some information about Russia. That French naval officer will have more confidence perhaps in an American naval officer than he would in an Army officer or a CIA person, or some attache of the Embassy or an American business man in France. It is just the natural inclination to go to his professional colleague, you see. So he might prefer to come to our U. S. naval attache in Paris and say, "I have got some dope on the Russians here. If you will give me a thousand dollars, I

can give you the design of their new battleship", or something like that.

Now, this scheme that I propose would not stop that from happening. Our American naval attache would be authorized and would have the money to accomplish that purpose, but I want to make the distinction between something that is casual and opportunistic as compared to an organized spy network and we want to get out of that organized spy network business.

Mr. Judd. The Navy does not want to carry that on?

Mr. F. No, sir.

Mr. Manasco. After the Naval officer bought it, it is your idea the Central Intelligence Agency would have some control over that clandestine spy work, because if they did not, they might sell it to the Army and the State Department.

Mr. F. Yes, sir.

Mr. Manasco. That was done down in South America.

Mr. F. That comes into the coordination field, and that information we would pass on to CIG. We would pool our resources, turn that all in, anything we get. But under this conception we would have very little of that work to do. It would be a minor matter with us. The big bulk of all of the secret stuff of passing money, and so forth, would be done by CIG.

Although a central intelligence agency would eliminate some work that each governmental department is now obliged

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to perform for itself, it would not supplant any existing intelligence agency. It is axiomatic that an operational commander of any of the Armed Services must have direct control over the intelligence he requires for rapid and efficient action. He must continue to be served by an effective departmental agency, ONI, G-2, or A-2. These will make available to each theater commander, in peace or war, the intelligence acquired elsewhere, including operational and communication intelligence; train his intelligence officers; give headquarter analysis to his findings; and provide the top command of Army, Navy or Air Force with the matured intelligence material necessary to over-all planning.

In practice, we feel that the most immediate value to the Army and Navy of a well-run central agency will be to permit the departmental agencies to concentrate their effort and experience upon those phases of strictly departmental intelligence appropriate to each. In other words, we believe that each department must operate its own intelligence service in order to meet its own unique requirements. It must be manned by personnel trained in its own profession, and must be under the direct command of those who are responsible for carrying out the departmental mission. The central agency, then, should supplement, but not supplant, the departmental agencies. It should have no function which would interfere with the direct control needed by the military over operations

(combat) intelligence.

The Central Intelligence Agency, as a primary instrument of national security, should be under the National Security Council as proposed by the bill S. 758. A legally established Security Council is the proper heir to the responsibilities currently assigned to the National Intelligence Authority. A Director of Central Intelligence should be appointed to act as the Council's Executive Officer for the fulfillment of the national intelligence mission and the administration of the Central Agency.

The Director of Central Intelligence should be advised by a responsible Intelligence Advisory Board consisting of the heads of the principal military and civilian intelligence agencies of the government. In addition to effecting top level liaison between the central agency and their own departments, the members of the Advisory Board would be responsible for the efficient collaboration of their departments. They would thus share with the Director the responsibility for successful operation of Central Intelligence.

The Central Intelligence Agency itself should possess a permanent staff adequate to permit it to carry out its functions. It should, in addition, be assigned personnel from the State, War, Navy, and Air Departments, this is assuming there is an Air Department, to the extent judged necessary by the National Security Council.

Mr. Lanham. Is that Intelligence board provided for in the Senate bill?

Mr. F. It is not mentioned there except indirectly by inference. It is contained in the President's letter to the three Secretaries, in the Federal Register, and the Senate bill calls for carrying over the provisions of the President's letter into the new National Security Council and Central Intelligence Agency.

Mr. Manasco. The only difference between the two bills on this particular provision is that the Senate bill provides for the Senate confirming the director.

Mr. F. Yes, sir.

Mr. Manasco. The rest of the language is identical.

Mr. F. So far as the organization is concerned.

Mr. Manasco. Yes, so far as the organization is concerned.

Mr. F. Yes, but there are some other differences, and I am discussing each one of these as it now comes up.

One man vs. committee control: The view has been advanced by some that National Intelligence would function more effectively under a single head responsible only to the President. It is conceded that the Director should be granted the initiative and freedom of action necessary to the efficient administration of any organization. The Central Agency will be established, however, to serve many departments of the Government, all of which will be vitally concerned in its successful operation. Its success will require the

closest cooperation with the existing intelligence services for it will receive from them as well as contribute to them. In view of these facts, I believe that the Central Agency should be subordinate to a committee of those civil officials who are chiefly responsible for our national security. This will provide a guarantee of effective and impartial production of intelligence material and will insure against any possible perversion of Central Intelligence towards ends other than those of the broad national interest. The charge has been made that control by the Security Council would lead to military domination. It is perhaps enough to point out that the members of the Council, although some are heads of military departments, are all civilian Presidential appointees, subject to confirmation by the Senate.

Mr. Judd. May I interrupt? Do you think there would be an advantage of stipulating in the bill that the Director of the Central Intelligence Agency can have, if he desires, direct access to the President of the United States, who is Commander-in-Chief of the Army and Navy? I am thinking of the night before Pearl Harbor when the Intelligence tried to get this man and that man and could not find them. Here you have a board which has to be convened perhaps in an emergency. It seems to me he ought to have. It is implied, but it ought to be assured, the right of direct access to the President of the United States, or at least to the Secretary of National

Defense, if this bill were to go through.

Mr. F. Sir, I agree with you 101 per cent, and this disaster of Pearl Harbor is very much on the minds of all of us, and it has had a great influence in our thinking. But I would like to distinguish between the responsibility and the organization, on the one hand, and the actual dissemination of intelligence on the other hand.

As far as the organization and control in the chain of command is concerned, I do not believe that it is necessary to put in the bill that the Director of the Central Intelligence must have direct access to the President, because the authority is all there, and the authority should, and the plan should be laid out in advance, so that there is no question whatsoever about the other side of the picture which is the dissemination, getting the news around. In getting the news around, the Director of Central Intelligence is responsible under the President's letter, if my memory is correct, to disseminate all intelligence to all responsible authorities, including the President himself, of any substance of any intelligence that any of those people need to know.

And in that respect, of course, the director of Central Intelligence should have, and does have right now direct access to the President, and the President relies on him to keep him informed. That is the way it is working right now, sir.

Mr. Judd. Proceed.

Mr. F. Domestic Security: It is my view that the activities of the Central Intelligence Agency should be confined to the field of foreign intelligence and that it should have no police powers and no domestic security functions other than those connected with the security of its own establishment. It is imperative not only for the production of good intelligence, but for the defense of the American principle of Government, that there be no confusion between the pursuit of intelligence abroad and police powers at home. It is significant that the merging of these two fields is characteristic of totalitarian states. Domestic security and foreign intelligence were controlled by the same hands in the last years of the Nazi state; they have always been in the same hands in the Soviet Union.

Parenthetically, what I have in mind is a distinction between the function of FBI and CIA. We do not want to encroach on the FBI and have no intention of doing that, and do not think it should be authorized at all. We do not want to build up a Gestapo or a super organization which will have potentially a sinister control of the lives of American people.

Mr. Hardy. May I interrupt there? By that same token, then, you say that we should not permit the FBI to do any intelligence work in foreign countries?

Mr. F. Not except in connection with their law enforcement

work here in this country, and as a correlary to that, sir, I think I know what you have in mind. I think I can guess what you have in mind. In order to keep the two systems, the two spy networks, from getting in each other's hair, there must be either a very fine and efficient coordination with full information between the two organizations so where, as in Washington, or else we must rely on one organization to serve the needs of the other abroad, and the second organization to serve the needs of the sister service at home.

Mr. Manasco. Let me ask you at that point, suppose the FBI had been directed by the Attorney General to make an investigation of an opium ring operating from, we will say, China and San Francisco. The FBI investigators might run onto some information that would require one of their agents to go into China. You would not prohibit him from going there?

Mr. F. No, sir, I would not. However, that should be coordinated so that the CIG agents over in China would not be crossing wires with this fellow when he arrives from the FBI.

Mr. Manasco. The CIG agent would not necessarily be interested in the criminal actions that go on in the United States.

Mr. F. No, sir.

Mr. Manasco. It would be purely security.

Mr. F. I admit without any argument that there are

difficult problems that are going to come up in that connection, and my only solution that I have is men of good will to sit around the table and work them out.

Mr. Judd. Of the two alternatives that you have delineated, you prefer the former, good coordination.

Mr. F. I prefer the latter. I prefer to leave the organized spy networks abroad to CIG and any information that they get which is pertinent to FBI's work at home in the law enforcement field, let it be turned over to FBI by CIG.

Mr. Judd. By the same token, could FBI call on CIG for information regarding the source of opium that was coming from where we did not know, Iran or China or somewhere?

Mr. F. Absolutely.

Mr. Hardy. Granted that there is a possibility that operatives representing different agencies, operating in the same area, might get in each others' hair, might they not get slightly different slants on a particular piece of information they are trying to secure so that put together it would make a better picture than the one-sided view that would be gotten from a single individual agency?

Mr. F. That is conceivable, yes, sir. Of course, any information that we get is usually checked from two or more different sources. For example, we may get from the broadcast which the Russian Government is making to the Russian people an indication that some political move is afoot. We get

the idea that they are preparing the Russian people psychologically for some important political move in the international field. We will want to have that deduction confirmed by some other source. This source is the Russian Government propaganda to its own people.

Well, now, perhaps we will ask CIC to get some information, if they can, from their agents, bearing on that particular problem, to confirm or not what we have deduced from these Russian propaganda broadcasts.

Mr. Hardy. The point I was trying to make, though, is if you have more than one agency securing information in a particular locality, are you not more likely to be able to get something you can rely on than you have a single one there, because it has got to be acknowledged that a lot of the information they get is deliberately planted for them.

Mr. F. That is right, sir. I do not think so, sir. That is an imponderable, and in a certain case what you say might work out that way.

Mr. Hardy. It might cost more money; it would cost more money.

Mr. F. It would cost more money, and it would lead to more difficulty, I think, than it is worth, because as I say these people would not know each other's identity, and they would be spending their time chasing each other, instead of going after the real antagonist, the real intelligence target.

Mr. Hardy. You are presuming there that you would have direct employees over there, rather than that you might be working on local contacts, are you not?

Mr. P. Well, whatever you are doing, you have to have some men over there who are operating this spy network, and if you have two of them, they are going to get their wires crossed, and your men are going to devote a good deal of their energies uselessly to either keeping out of the hair of the other operatives, or else unknowingly they are going to be chasing each other, and not producing the information that you want.

Mr. Hardy. Thank you.

Mr. Chenoweth. Are you talking about the FBI yet?

Mr. P. Not particularly; any two organized spy networks.

Mr. Chenoweth. I thought you were making a distinction.

Mr. P. We started out that way, but I thought your question was more general.

Mr. Hardy. It was.

Mr. Chenoweth. You could not refer to the FBI as a spy organization; they are a law enforcement agency.

Mr. P. Yes sir.

Mr. Chenoweth. They have an entirely different function, no conflict whatever.

Mr. P. Not in function.

Mr. Chenoweth. They should not be in each others' hair.

at any time.

Mr. F. They might be in the field of counter-espionage because that is also a function of FBI.

Mr. Chenoweth. So far as the foreign activity is concerned, there is no excuse for them operating in foreign countries that I can see.

Mr. F. No, sir, I do not mean that.

Mr. Chenoweth. That is your contention.

Mr. F. That is my contention, but that has not been the case.

Mr. Chenoweth. I was surprised when I learned today that they were operating in foreign countries. I did not know that. I thought they confined their activities exclusively to the United States.

Mr. F. Their responsibility is confined to the United States, but in meeting that responsibility, they do have interests abroad. It is a question of whether they are going to send their own people abroad to do that, or whether they are going to let CIA do that.

Mr. Chenoweth. I agree wholly with you that they ought to stay in this country.

Mr. F. I bring this up with some reluctance, because I do not want to appear to be engaging in special pleading, and I would like to say just a personal word, that I have no personal interest in this at all. I am not a candidate for

the office of Director of Central Intelligence. I have no objection to civilians. The question has been raised and I am trying to make a frank statement of it.

Mr. Judd. How did it happen that you were assigned to this? You say you have been in charge of it for two years. Was it because of experience or a routine assignment, or what?

Mr. F. I happened to be available for the job at the time.

Mr. Judd. You were not specially trained for it?

Mr. F. No, sir, I was not. That brings up another story which is not pertinent to this. And I feel that people should be trained for it, and I have taken the initiative in establishing an intelligence school for the Navy, which has been functioning now for just a year.

Mr. Manasco. You are not in the secret intelligence service?

Mr. F. I am in Naval Intelligence.

Mr. Lanham. What is that?

Mr. F. Office of Naval Intelligence.

Mr. Chenoweth. Tell us something about your naval career.

Mr. F. Yes, sir. I was appointed to the Naval Academy by Roy Woodruff, who is still a member of Congress, the first boy he appointed when he came here in 1913, and I graduated in 1917, a year early.

My professional specialty or technical specialty in the Nav

has been chiefly in communications, but I have had a very wide diversification of duty, watch officer, and gunnery, and navigator on three different cruisers, have had command of a destroyer and supply ship, and another destroyer and a cruiser. Most of my shore duty, except for this last tour in Intelligence, has been in communications.

I took a degree at Harvard University, sent there by the Navy, a master's degree, about five or six years after I graduated from the Naval Academy.

I have had this position as Chief of Naval Intelligence for just over two years.

Mr. Chenoweth. You certainly look to be a much younger man than possible to have had a career like that.

Mr. F. Thank you very much. I give my wife credit for it.

Mr. Judd. You are not expecting to stay in this permanently. This is a tour. What is the allotted time, usually three years?

Mr. F. In the normal course of events in peacetime, it would be three years.

Mr. Judd. Then you go to a battleship?

Mr. F. That would be the normal prognosis, yes, sir. What will happen in the next year, of course, nobody knows, and all of the peacetime routine has been completely upset. Our rotation of duty is largely a matter of expediency at the moment.

Civilian vs. military appointee as Director of Central Intelligence: The Director of Central Intelligence should be the man best qualified for the job, whether he be civilian or military. This is wisely provided for in the bill under consideration. I have heard many arguments on the merits of a civilian director, and I have no objection to the appointment of a competent civilian to the post, but there are also advantages to the appointment of a military man to the post.

In the first place his loyalty would be unquestioned, for any conceivable military appointee would be a man who had served his country faithfully for a long period of years under close observation. There can be no question but that absolute loyalty to the Government of the United States is the first requirement of a Director of Central Intelligence.

Secondly, a military appointee would be politically non-partisan. His complete independence from political ties or commitments would give assurance that the conclusions of the Central Intelligence Agency will be entirely objective.

Finally, a military appointee would be readily available, whereas the best qualified civilian might hesitate to accept a government post requiring almost certain financial sacrifices, or the abandonment of an established civilian profession. It is not recommended, however, that an officer, no matter how well qualified, be ordered unwillingly to the position of Director of Central Intelligence. A Director

whether civilian or military, should assume the post voluntarily with the intention of devoting to intelligence the rest of his useful career.

I have on occasion heard the objection that a military man would be partial, that he would attach too much weight to reports from military sources. It may be answered that a military officer will be more sharply aware of military developments which impose a threat to our security. It may be similarly argued that a civilian would over estimate reports from civilian sources. Impartiality is not an attribute of either the civilian or military mind alone. It is a quality to be sought in a Director regardless of his past training or career. The practice of other democratic nations has almost invariably been to assign a military director to foreign intelligence and to make him responsible either to his country's General Staff or to its civil Premier. That is true, for instance, in Great Britain, France Holland, Belgium, Switzerland, and the Scandinavian States.

There has been a lot of confusion in the statements that have been made about that, and very often when they say that the Director of the intelligence service of some country is a civilian, they are referring to the counterpart of FBI, rather than to the counterpart of the Director of Central Intelligence here.

Covert Intelligence: I deplore the publicity that has

been given to intelligence. A part of this publicity has resulted from the publication of House Report No. 2734, 79th Congress, which has been widely discussed in the press. I emphatically disagree with the following two recommendations of that report:

a. That the Director of Central Intelligence be a civilian.

I might qualify that by saying he must be a civilian and no one else, and not a military man. As I said before, I am in favor of the best man for the job, whether he be civilian or military, and I disagree with the next point:

b. That the Director of Central Intelligence shall not undertake operations for the collection of intelligence.

My views regarding the qualifications for the office of Director of Central Intelligence have been given earlier in this presentation. As to the conduct of operations by the Director of Central Intelligence, I hold the view that certain operations can be more economically and efficiently performed centrally and that the Central Intelligence Agency should be authorized to undertake such activities.

I hold the view that covert operations should be controlled centrally and divorced from the departments having intelligence agencies for the following reasons:

a. Central operation is more economical because it avoids duplication, reduces overhead, and assures that the needs of all departments requiring covert intelligence are

equitably met.

b. Central operation is considered more effective because it can cover the entire field of covert intelligence - a field which for its full exploitation must be world-wide and closely integrated, with no competing agents working at cross purposes.

c. Covert activities are occasionally exposed by foreign governments. It is desirable that no embarrassment, such as exposure may entail, should fall upon the State, War or Navy Departments which must protect the diplomatic standing of their missions and attaches.

It has been argued that the central agency should confine itself to coordination and analysis and refrain from the active collection of information. I am completely unimpressed by these arguments. As suggested above, there are important reasons for central control of covert intelligence collection. Such intelligence is important and must be gathered. The objections to assigning collection functions to Central Intelligence would apply also to assigning those functions to a single existing departmental agency. I believe that the advantages of economy, integration, and freedom from diplomatic embarrassment greatly outweigh any possible objections to the conduct of covert operations by the Central Intelligence Agency. The only other acceptable alternative to charging Central Intelligence with this part of intelligence

collection, would be to set up yet another central agency for the purpose, a wasteful and unnecessary expedient.

Mr. Judd. We have had a lot of testimony, partly in support of this view and some diametrically opposed. The basic reasoning of those who oppose it is that you have your eggs all in one basket and if it gets infiltrated by an enemy power, and you are trusting it, you have no correcting secret intelligence from other sources, and you put all of your chips, so to speak, on one play, and it goes wrong.

Mr. F. I have heard all of those arguments, and I think they can be countered. I will admit that on its face it does sound plausible, but when you weigh the advantages and disadvantages, I can not come up with any other answer.

Mr. Judd. The other thing you believe is that you believe that if the Central Intelligence takes over the secret intelligence, the Army and Navy and State Departments should get out of it.

Mr. F. Organized secret intelligence, yes, sir.

Mr. Judd. They should not have, as we had during the war, SI agents of those departments in addition to the Central?

Mr. F. Of course, the Navy did not have that in the war to any extent. Our secret work was casual, of the type that I have described.

Mr. Judd.. The Army did have.

Mr. F. The Army did have that, sir, and I did not intend

to bring this up, but just to prove my point, the Navy was never officially informed of the existence of that secret organization of the Army. We found only about it by accident and against the wishes of the Army. We stumbled onto it. They did not tell us that they had this outfit. They never offered the Navy the services, never offered to make it available to meet our needs.

Mr. Judd. Not only the services, but the information they got.

Mr. F. That is right. I was going to bring that up next. So far as I know, not one single bit of information that was obtained by that Army agency ever came to the Navy, and I think the same is true of OSS and State and all of the rest.

Mr. Judd. If you had your intelligence group, it would supposedly have received that, and then sent it over to you, and to the State Department as well as back to the Army.

Mr. F. Supposedly, yes, sir, but I hate to discuss these things, because they are not pleasant. But the fact is that there is a lot of professional jealousy as between one outfit and another. We saw it in OSS and the relations between G-2 group and OSS were miserable. You would have thought that one was the enemy, rather than the Germans and the Japs. One was the enemy of the other, and it was a most unsatisfactory situation.

Mr. Judd. The argument has been brought up that if

you have Central Intelligence carrying on secret intelligence work, it will be so jealous of its particular work, it will not pay any attention to intelligence from other sources.

Mr. F. I know that, sir. I am completely unimpressed by that argument, because within Central Intelligence itself, it is necessary for security reasons to box off that particular function of Central Intelligence, and to the view of the evaluator over in the other box at Central

Intelligence this is just some more information, and it does not make any difference whether it comes from a box in CIG or Naval Intelligence or State or whatnot. It is poured into this general pool. It is associated with information which comes from widely different sources as I tried to describe it, perhaps from Russian propaganda broadcasts or Russian people, and they weigh one bit of evidence against another and come up with what is in their honest judgment the best deduction.

I can not see the force of that argument at all, and if the argument applies to CIG, it would apply equally to G-2, because G-2 has its evaluators, as well as its secret network.

Mr. Lanham. Would they have it except for local operations if we have the Central Intelligence?

Mr. F. Would G-2 have it?

Mr. Lanham. Yes.

Mr. F. They would have it for their own purposes,

that is, their own military field, not so much the broad national intelligence. That would be a function of CIG. But so far as their local business is concerned, they would have it.

Mr. Judd. That is another point, that if you have just Army and Navy, it will be interested in intelligence that deals with this particular unit, its particular campaigns, but the country may need something bigger than that.

Mr. Hardy. The chances are that the Army and the Navy if they operated this clandestine intelligence would have to be doing it on a wide scale for it to be any good to them in planning any future campaign.

Mr. Manasco. They might be more interested in the side of the Army and the weapons that they have developed, and if we were to get into a war with another country, we would also want to know about their potential capacity to produce food and things like that.

Mr. Hardy. I think you are right about that, but is not going a little far to expect the Central Intelligence or any one group to have agents qualified to get information along a wide variety of lines, and might you not have to have just as many people working under a central group as you would have if you had it under different groups?

Mr. Manasco. I think your overt intelligence has no intention of displacing the intelligence furnished by our State Department, by our commercial attaches, and by the

employees of the Bureau of Foreign and Domestic Commerce of the Department of Commerce. That is not contemplated in this.

Mr. F. No, sir.

Mr. Manasco. That intelligence is just as important as the clandestine or more important in the long run.

Mr. F. About 80 per cent of our take of our collections in overt is perfectly legal, legitimate, above board.

Mr. Hardy. You can not round it out without the clandestine.

Mr. F. They are complementary to each other, that is right. What we can not get overtly, we try to get covertly.

Mr. Manasco. You do not contemplate the overt acts of the State Department.

Mr. F. No, sir, it would be very uneconomical and unwise and impractical to do that, because that is why we have Ambassadors and Ministers abroad, for that very reason.

Mr. Manasco. And commercial attaches.

Mr. F. The Embassies and the Legations are there for that purpose, and they have access to the higher officials of the foreign governments that no secret agent could possibly hope to have access to on a perfectly open and above board understanding and arrangement.

Need for National Intelligence Legislation: The Central Intelligence Group has been confronted with the usual difficulties inherent in the early stages of any organization.

Its problems have been further complicated by the transition from war to peace and the uncertainty attendant to its lack of legislative basis. The final efficient performance of Central Intelligence will result only from careful organization and administrative planning, thorough training of its personnel, and the working out of the best machinery for cooperation with the departmental agencies. This will require that Central Intelligence have a permanent status recognized by law. With a Central Agency once established and given the go-ahead signal, there will be a sure increase in the contribution of intelligence to the security of this country. Marked economy will not come overnight, for we cannot, in our haste, leave dangerous gaps. Many functions of the departmental agencies can be transferred only gradually to Central Intelligence and only when the transfers have been made will the departmental agencies be able to adapt to their primary task of strictly departmental intelligence.

The comments set out above are general but I believe that they support the basic principles that should be considered in the establishment of a Central Intelligence Agency. The provisions of the National Security Act of 1947, S. 758, regarding Central Intelligence are also general. I would make only one change in the intelligence paragraphs of S. 758, increase the compensation of the Director from \$12,000 to \$14,000 per year, to make the position attractive to the

most competent man for the job. I understand that further legislation will be offered setting forth in detail the organization and functions of the Central Intelligence Agency. I would be pleased to comment on any such proposed legislation when drafted.

Mr. Judd. Let me ask you one more question. It is on this question of whether the Director should be a civilian or a military man.

Do you think that if the best man for the job is a man from the Army and Navy, and he is appointed as director of Central Intelligence, that he should resign so that he gives his whole undivided attention without any possibility of being influenced either by his former associations or present associations or his own hankering perhaps to get back into the service where he spent most of his life?

Mr. F. Yes, sir; do you mean resign or retire?

Mr. Judd. Either one. I think in any case, perhaps I should qualify the question, that he should resign or retire with full protection of his personal rights.

Mr. F. Yes, sir, that would be retirement.

Mr. Judd. Yes.

Mr. F. (a) He should certainly enter that job with the idea that he has burned his bridges behind him professionally, that he has given up any ambitions of becoming Commander in Chief of the Pacific Fleet, and so forth, and he is in the

psychological frame of mind that he will devote the rest of his life, assuming his service continues to be desired, to the national intelligence authority, to that particular job.

Mr. Judd. And as a civilian, after he assumes it.

Mr. F. To all intents and purposes. . . If Congress believes that that is not sufficient, if they believe that however psychologically he might be prepared then for that, still two or three years later he might get a little disgusted with the way things are going, and he might have a return of a hankering to get back into the Navy, if they believe that, they would have to have some protection against that eventuality, then I would suggest that Congress write into the law that the individual must retire, not resign, because speaking quite frankly as a person now with natural human --

Mr. Judd. A family and a future?

Mr. F. -- motives and security reasons, a Naval officer is not very well paid, but there is one thing that he always has and carries in the back of his mind, "Well, as long as I live", that is assuming good behavior and reasonably competent performance of duty, "I know where my next meal is coming from", and he is retired at the end of his useful career or for physical disability or for failure of promotion or when he reaches the age 62, whatever the reason, he is given a fairly comfortable competence, enough so that he can go back

in the Middle West somewhere, if that is where he wants to go, and he knows where his next meal is coming from. If you insist that this fellow resign and throw away all of those rights to retired pay that he has looked forward to all through his naval career, he is going to say, if I can speak frankly, "To hell with that job; I will not fool with that for one minute." You will not attract people to that in that way.

Mr. Judd. I do not think Congress would suggest that.

Mr. F. I want to make that distinction between retiring and resigning. Once he has retired, he can never entertain any ambitions from then on of ever getting back into the swing.

Mr. Judd. Do you feel that if the individual's personal rights are properly protected, that it would be better, he would be able to approach the thing with a greater detachment, if as one witness here this morning testified, he ought to approach it as a man going into a monastery, "This is the place where I can make the greatest contribution to my country in my remaining days."

Mr. F. I have precisely that same philosophy about it.

Mr. Manasco. My idea, if the Congress makes the Director a civilian head, we protect the present Director, say, for a period of ten years, at the time he would reach his retirement age. It would take eight or ten years to train

a man like J. Edgar Hoover. He has made a lifelong career out of it, no politics involved in his position. There were some people who wanted to remove him and put somebody else in. He was born in the District of Columbia. I do not believe he has any politics. We hope politics will never enter into it, and to make a career out of it, make it attractive, to get some bright young fellow to start in work down there today, and maybe at the end of the present tour of duty, 10 or 12 years, whatever the age, the retirement age, then provide that the Director be a civilian. Certainly any intelligent President would appoint a fellow who had been working in there through that period of years and was trained. He would make it a life career, and we have protection of our career employees, or the civilian employees. That would make it attractive. We would have adequate pay for a man of the intelligence we would want in there.

Mr. Lanham. I believe the man ought to start right now if he is going to make any career.

Mr. Manasco. Of course, there is some question in my mind whether we should allow the fellows to think that they are going to be that man for a year, because you might get a fellow in there that would pull inside strings. We have politics in the Army and Navy.

Mr. F. I think it is just as well to have a little threat in there.

Mr. Manasco. I can appreciate that, because you might get a fellow in there who was like some of our police chiefs, a good politician and a very poor police chief.

Mr. F. Well, you see, that is what you do, sir, when you require him to retire, because he has lost his chance of ever getting ahead in the Navy.

Mr. Manasco. That is what I say, I would not want to place any restrictions in this law that would affect that.

Mr. Lanham. He is on there for a tour of duty.

Mr. Manasco. I presume he will be there if we pass this law, and he is still head of the organization, I presume he will be there for the rest of his military life.

Mr. F. I have no right whatsoever to quote Admiral Hillenkoetter, because he will appear before you tomorrow and he can speak for himself.

Mr. Lanham. I believe he ought to be required to retire.

Mr. Manasco. I would not want to retire him at the present retirement pay. I would want him to be able to accumulate his retirement if he stayed in service.

Mr. Judd. Then he could retire, but with the assurance in the law that if at any time for whatever reason he withdrew from this position, he would leave at the retirement pay he would be getting if he were to withdraw from the Navy at that particular time.

Mr. Manasco. Build up his fogies.

Mr. Judd. That is right. If they kicked him out at 55, they might have done that in the Navy.

Mr. F. You can cover that very simply, if I may make this suggestion, by saying if he is retired for any reason, he shall be retired with the pay of a retired officer of the rank of Major General.

Mr. Judd. That is okay.

Mr. F. Then his retired pay is three-fourths of \$8,000, which is \$6,000 a year. Now, the retired pay of a Rear Admiral of the upper half is the same as the retired pay of a Major General. The retired pay of the lower half is the same as the retired pay of a Brigadier General, which is considerably less.

Mr. Judd. Any further questions?

I am sorry more of the committee is not here. We have a wealth of testimony in this day of hearings. Are you going to be here after next week?

Mr. F. I am here right along. I have a commitment for tomorrow that would be very awkward for me to pass up.

Mr. Judd. We will meet at 10 o'clock in the morning for other witnesses.

(Thereupon at 6:50 o'clock p.m., the Committee recessed, to reconvene Saturday, June 28, 1947 at 10 a.m.)

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